

Opening Statement of the Honorable Greg Walden
Subcommittee on Communications and Technology
Hearing on “Reauthorization of the Satellite Television Extension and Localism Act”
March 12, 2014

(As Prepared for Delivery)

Today the Subcommittee on Communications and Technology will consider draft legislation to reauthorize the Satellite Television Extension and Localism Act, the law that governs the provision of direct broadcast satellite service to millions of Americans.

Today's hearing follows several previous hearings on the subject, multiple hearings on the communications marketplace, a bipartisan roundtable debate on the issue of the integration ban, and an incredible number of meetings with stakeholders by members of this committee on both sides of the aisle. It's taken an enormous amount of work, but this draft has earned the support of cable, broadcast and satellite competitors.

I especially want to thank Vice Chairman Bob Latta and my Democratic colleague from Texas Gene Green on their thoughtful, bipartisan work on the integration ban repeal. It's important to note that this provision still requires cable companies to support CableCARDs, it just gets an outdated, expensive, energy consuming provision of little or no value off the FCC's books. We believe in spurring innovation, not holding it back.

The draft legislation responds to the concerns of members of both sides of the aisle regarding Joint Service Agreements and sweeps week provisions that seem to put a thumb on the scale. I have listened to those concerns and propose eliminating the sweeps week prohibition, which keeps cable operators from dropping broadcaster signals during “sweeps” weeks – the weeks when Nielsen runs its ratings analysis.

Further, the draft contains a provision that would limit joint retransmission consent negotiation by two or more independent broadcasters in a shared service agreement, unless the pay-tv provider agrees to negotiate jointly with those broadcasters. I have no complaints with provisions that support fair negotiating tactics – for all parties to an agreement. I am, however, very concerned by the FCC's recently announced plans to dump Joint Sales Agreements into their local media ownership calculations, especially without first completing their statutorily required quadrennial review of the marketplace.

In Fairbanks, Alaska, all four TV stations are operated from the same group of Quonset huts to share costs and create efficiencies that allowed the stations to provide a variety of news and entertainment to this city of about 32,000 people. Absent a JSA it's unlikely the community could support four television stations. I'd also draw the committee's attention to a recent *Wall Street Journal* op-ed that includes the community served by the nation's only African-American owned, full-power broadcast station. And by local broadcasters like Bob Singer, the general manager of several local television stations in my district. There's a positive role for consumers in Joint Service Agreements.

Unfortunately, Chairman Wheeler is putting the JSA cart before the media ownership horse. The FCC is required by law to review the entire set of media ownership laws every four years. It has consistently failed to follow the law. If a licensee of the FCC failed to follow the law, it would lose its license or suffer some severe penalty.

Chairman Wheeler is forging ahead to regulate JSAs while leaving the commission's legal obligations for another day. This is why we've included in this draft a clear directive to the FCC that it should do its job and finish the quadrennial media ownership review before it tinkers with JSAs. But in the meantime, we bring fairness to the marketplace when it comes to misuse of JSAs for retransmission negotiations. Our draft finds the right balance.

Our work here is set against the backdrop of our larger effort to update the Communications Act and bring our communications laws in line with the innovation and dynamism of the communications marketplace. We hope that the many government, industry, and consumer stakeholders in this complex discussion will engage in the comprehensive discussion of the #CommActUpdate. This will be a time-consuming process, however, and as my colleague Mr. Shimkus explained to Politico last week, “The telecom rewrite, that’s not for sissies.”

The video marketplace is not a monolithic structure by any stretch of the imagination. Today’s witnesses represent diverse parts of that ecosystem. The broadcasting, cable, direct broadcast satellite, and retail set-top box industries are all well represented by our panel, as well as the public interest community. I thank our witnesses for being here today and for their counsel.

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